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SOVIET UNION MILITARY-ECONOMIC REPORT

Translated from the German Report

Dated: 25 September 1943

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During the Second World War the German Signal Intelligence Control Center of the Staff of the Chief of Army Signal Service (HNW, LNA) issued a series of reports to show the USSR military-economic situation as reflected in Russian internal plain language traffic. These reports appeared at short, irregular intervals, usually six per month, for the period October 1942-March 1943. On May-three 5014b3a these reports have been translated and issued by [REDACTED]

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25 September 1943

REPORT ON THE MILITARY-ECONOMIC DEVELOPMENT OF THE SOVIET
UNION IN THE FIRST HALF OF 1943

(Based on domestic radio traffic)

FOREWORD

The following report on the economic development of the Soviet Union in the first half of 1943 is primarily concerned with messages from domestic radio traffic on the NK for the River Fleet (NKRF) and the economy of the Caucasus. Information on the Caucasus dates only from March.

Difficulties arose in the statistical compilations in so far as Soviet plans were often neither clear nor complete. Since the economic picture cannot be grasped in its entirety but only in part, the statistics are not to be appraised as being absolute figures but should only be taken as relative signs of a development.

As a result of technical difficulties, the figures for June are very incomplete. This is to be considered in the statistical results.

1. Personnel Situation

(1) Since the demands of the front on the one hand and the armaments industry on the other have been increased with the continuance of the war (a fact which has been brought out by constant differences between civilian and military authorities), the problem of furnishing a sufficient labor force becomes more difficult.

(2) In the development of labor conditions at the industrial plants, shipyards and other enterprises of the NKRF, on which the following discussion is chiefly dependent, the general development of the working situation is again reflected.

(3) The responsibility for conscripting labor was assigned to the leaders of the individual NKRF offices which were supported by Moscow only through general decrees. The conscription of labor was consequently regulated according to oblast¹. Excuses for faulty performances because of a labor shortage were not accepted. However, a large number of personnel were released from the Armed Forces to guarantee a sufficient labor force. As a result of the increasing needs of the Armed Forces, the age limit for draft exempts for the NKRF was raised from 27 to 30 at the end of November 1942.

(4) Because of the winter immobilization of the Fleet and the employment of its personnel in NKRF industry, a temporary relaxation in labor conscription occurred in November and December. A shortage of personnel was noted by January, however, because the work projects planned for the winter had grown in scope. The principal jobs on which the unoccupied workers were also employed were the following: timber procurement, shipbuilding, ship repair, and construction in the reconquered oblasti.

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(5) Radio traffic indicated that during January work was generally in arrears principally because of the personnel shortage. A remedy was attempted by lengthening the working day to 11 hours; double shifts and Sunday work were also resorted to. Incentive to increased production was furnished in the form of bonuses.

(6) There was an attempt to replace the deficient labor force by additional workers, mainly women, youths and the physically handicapped. Numerous radio communications indicated an extensive campaign for this purpose.

(7) In the course of this intensified campaign women were employed at clean work formerly done by men. Women were thus employed as sailors and divers in shipping and as loaders in transportation. The 66-hour working week applied likewise to women. Moreover, family members of personnel were often taken from plants. War-wounded and the sick were also forced to work. Members of the youth organization "Komsomol" were to a large extent conscripted, particularly in agriculture.

(8) Among the men, the largest part of the newly conscripted workers consisted of youths 16 - 19 and men over 50: the former group was too young and the latter too old to be liable for military duty.

(9) The worker conscription situation became more critical in February because of reconstruction work; new draft exemptions were therefore given only for personnel taking part in reconstruction. On the other hand, personnel was diminished thru extensive call-ups. Compensation for this was achieved as far as possible by increased conscription of family members.

(10) An attempt was made in March to meet the increasing shortage of personnel by extensive conscription of workers not subject to military conscription and previously unemployed. The rural population was thus to be drawn into the front line. Execution of the mobilization was charged to local offices. Its scope could be approximately ascertained thru radio traffic. About 50,000 to 100,000 persons were to be conscripted during the first quarter year for purposes of the NKRF. Because of organizational refusal by local offices, which was also confirmed in a decree by the NK for the River Fleet on 6 April, much fewer were conscripted. Results in other branches of the economy were not better. In Georgia, for example, only about 1,000 previously unemployed persons were organized into the economy.

(11) To compensate for the lack of personnel a 10% increase in work output in the loading and unloading of river ships was ordered by Government decree. In order to intensify the working effort, in several plants a 24-hour piece-work period (two shifts) was initiated.

(12) An attempt was made to partially replace missing specialists by diversified training. Thus, all workers mobilized for shipboard duty would be also trained in repair work.

(13) Government offices of the NKRF cut down on their personnel by consolidating separate departments. Personnel thus freed were likewise re-trained. For example, in Krasnoyarsk 372 office workers were retrained as follows:

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212 office workers as Sailors
 81 " " " Seamen
 59 " " " Steersmen
 20 " " " Stokers.

(14) In order to raise working morale for the fulfillment of the monthly work task, special allotments of provisions and consumer goods were ordered.

(15) Bonuses for overproduction were increased. They were given to single workers and groups as well as to enterprises. Often they were as large as the monthly salary itself. Transportation workers, for example, received overtime increases as follows:

10% overproduction - 1 1/2 times normal hourly wages,
 20% " - 2 " " " " ,
 over 20% " - 3 " " " " .

(16) The hourly wages for main workers are as follows:

Metal worker: 70 kopeks,
 Metal heater: 77 "
 Heavy worker: 80 " ;

the hourly wages for auxiliary workers are as follows:

Metal cooler: 63 kopeks,
 Metal heater: 69.3 " .

(17) There was an attempt to compensate for the shortage of skilled workers by the intensified training of youths. For this purpose many new NKRF technical schools were established. The following newly established schools have been identified in radio communications during the first half year:

<u>Location</u>	<u>Plant</u>	<u>No. of students</u>
Astrakhan	Plant "3rd International"	350
"	Plant "Lenin"	300
"	Plant "Uritskij"	350
Baturino	Shipyard	200
Blagoveshchensk	----	260
Gorkij	Plant "Karl Marx"	220
"	Plant "Zhdanov"	230
"	----	300
Molotov	Plant "Burlak"	135
"	Plant "Dzerzhinskij"	150
"	Plant "Chistopol"	100
Semipalatinsk	----	125
Uralsk	Plant "Chapaev"	100
Vladimirovka	Ship Repair Yard	200
Rostov-on-Don	Technical School	200

This totals 14 plant schools for about 3,000 students and one technical school. Moreover, 18 plant schools have been previously identified. In addition to the 6 Stakhanovite schools previously identified, 5 new Stakhanovite schools for about

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1,000 students have been identified as follows:

	<u>Basic Training</u>	<u>Continuation Training</u>
Blagoveshchensk	90 students	50 students
Khabarovsk	170 "	100 "
Yakutsk	90 "	90 "
Krasnoyarsk	220 "	100 "
Ulan Ude	30 "	15 "

Considering the 10 technical schools previously identified, there are therefore known at the present:

11 Technical Schools
11 Stakhanovite Schools
32 Plant Schools.

(18) Training of youths for technical work at the schools of the NKRF during the winter was especially intensive. A total of about 8,800 trained technical workers was identified as transferred to NKRF enterprises during the first quarter year. Of these 8,800 men, 3,334 were more specifically itemized, including:

495 Deck officers	about 15%
190 Ship Engineerroom officers	6%
263 Steersmen	8%
1,186 Ship Mechanics	36%
525 Ship Machinists	16%.

(19) The following total numbers of personnel have been trained:

	<u>During first quarter</u>	<u>During second quarter</u>
Plant and Technical Students of the NKRF	about 8,800	about 7,500
In the Caucasus	5,800	4,700

(20) A large portion of the trained personnel, however, was lost thru military call-ups, and another considerable portion remained far from work. These shortages composed about a third of the trainees, as was understood by the total number of difficulties reported in radio communications.

(21) The shortage of workers became more acute in April as a result of the commencement of seasonal work in river shipping, in construction and in agriculture. A considerable expenditure of personnel was required for ice breaking operations to assure the safety of the river fleet before the breaking up of the ice. Numerous telegraphic requirements resulted.

(22) The River Fleet often lacked crews for its ships.

(23) The Oblast' Waterways Directorates could not carry out construction in the first quarter year. Timber procurement and transport in many places was forced to halt. In several cases additional difficulties arose as a result of military call-ups of indispensable personnel or incompetent leadership of the workers. This led to increased mobilization. Not only women and elderly

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people were called back, but also children. The number of women and children in enterprises often reached over half the working force, in which a large portion of children under 12 years was included.

(24) A series of radio dispatches indicated that during May the reserve force of workers became critical in many oblasti.

(25) In Siberia generally only youths not old enough for work assignments, overaged persons and invalids of the 2nd and 3rd grades were assigned to the River Fleet.

(26) As a result of military call-ups and faulty mobilization of workers, many plants had only about half of the necessary personnel on hand. For example, NKRF Kujbyshev had only 43% of required personnel, and Plant No. 4 in Novosibirsk had only 44%.

(27) As a result of these difficulties, in many enterprises a 13-hour working day was instituted, the day off shortened, and even religious holidays were treated as working days.

(28) Although extensive drafting was undertaken in April and May, more draft exemptions resulted for agricultural tractor and combine operators independent of age. Many other agricultural workers over 45 years of age were returned to work.

(29) More and more women have been noted in men's occupations. Not only were there female sailors, but also female ship mechanics and deck officers. In Batum 20% of the transport workers were women; however, 100% more transport workers were still needed there. These relationships prevailed throughout the transport profession without exception. Large numbers of youths up to 17 years of age were also noted in vital enterprises. About 550 youths of the class of 1926 were employed in several enterprises of the Ordzhonikidze Railway alone. Even large numbers of convicts were incorporated into the normal economic system.

(30) All measures to improve the personnel situation remained in the end almost without effect because of continual extensive recruiting for the Army. A new wave of inductions was noted in May. Draft exemptions for workers up to 40 years of age were widely cancelled (not applicable to the NKRF).

(31) In order to give NKRF employees incentive to greater production, a Government decree of 1 May raised wages and established a new bonus system. Bonuses were accordingly awarded for voyages completed on schedule. Likewise, bonuses were also awarded to personnel of ports and harbors for smooth traffic handling.

(32) The increase in difficulties resulted in a declaration of a state of emergency on 10 May; a similar declaration had been made for the railroads a short while before. This meant the establishment of absolute authority. This principle was described more specifically in a new disciplinary order of 20 May for employees of the River Fleet. Employees of the River Fleet were placed under the same discipline as the Navy. The orders are very strict. In order to raise working morale, large bonuses and decorations were provided for in them. Declaration of a state of emergency resulted in a significant improvement in discipline.

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(33) According to a decree of 20 May technical workers were not to be drafted into the Army. Remaining personnel were not to be assigned to work other than that for the Army.

(34) A lack of all kinds of administrative and technical personnel occurred in June in the NKRF as a result of inductions. Conscription proceeded very unsatisfactorily because of defective organization. At the beginning of June they had reached only 30% of the expected scale. There were many messages noted in which complaints were registered about the conscription of workers. Therefore, in June, school children and technical students who had at least one year of school and who were the most readily obtainable were called upon to a greater degree. More and more frequent increases in working hours spread to overall work in shifts (two of twelve hours).

(35) River shipping lines were obliged to submit by 10 June a report on their personnel situations in order to set up proper allotment of technical students and to assure the required working force for repairs scheduled during the coming winter.

2. Food Situation

(36) Radio communications have given a detailed picture of the agricultural situation. Last year's harvest [1942], allotted to the food situation of the Soviet Union, was distinguished by a good corn and an average potato harvest. It was not possible to increase the area of land under cultivation as was planned. Agricultural production was limited both by a lack of usable tractors, agricultural machinery and fuel and also by a lack of agricultural workers. Meat, fat and milk were scarce because it had been necessary to slaughter some of the cattle from the evacuated regions, particularly dairy and draft cattle, as there was insufficient fodder and shelter for them. Some of them were immediately transported away. Fish could not be extensively stored for the winter because of a lack of salt. For this reason, planned shipments were not met. Grain deliveries should have reached about 80 to 90% of plan. However, there was a lack of seed grain; many places had hardly half of the needed quantity. The food industry as well did not fulfill its plan.

(37) In January complaints were noted concerning insufficient flour supplies, lack of meat and fat, rotted vegetables, etc. There was an abundance of potatoes in Georgia in January and February. According to radio communications, the turnover at the Georgian Trade Commissariat in January and February was as follows:

	<u>Potatoes</u>	<u>Vegetables</u>
Intake	480 tons	442 tons
Output	520 "	495 "
Stocks	479 "	93 "

(38) The Armenian NK for the Food Industry received 73% of the expected deliveries of meat and 70% of the expected deliveries of milk from Sovkhozes in January and February.

(39) Supply of food to conscripted workers was especially bad principally because of defective organization and difficult transport problems.

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Maintenance of workers conscripted for timber procurement was exceptionally bad in November and December. The same conditions prevailed in February and March for construction gangs in the liberated regions. Apparently conditions could be improved only gradually.

(40) In order to improve the provision situation, the NKRF, as well as the other Peoples' Commissariats, required an extensive agricultural operation for itself. New fields were widely allotted for 1943. Moreover, personnel received small gardens for their own provisions on the same scale as in the preceding year. How widely self-supply was to extend in the general food situation may be understood from the following order:

"The NKRF has voluntarily assumed the responsibility to relinquish claim to all requirements for fish, potatoes and vegetables, and 50% of all requirements for meat and groats in favor of the needs of the country's defense. The shortages arising therefrom will be covered by self-supply."

Industrial Peoples' Commissariats in the Caucasus were likewise obliged to raise agricultural products on land belonging to them which had previously lain fallow. In the wine growing regions of the Transcaucasus the cultivation of agricultural products on an expanded scale and an increased cattle industry were also striven for.

(41) An expansion of the fish catching industry was to improve the food situation not only of the NKRF, but also generally. The following had been reported from an open source:

"The need for fish catching has grown enormously. The industry, therefore, is to be expanded on a huge scale. Next year fish is to be considered a principal food."

In addition to the NK for Fishing, the NKRF was also assigned to catch fish. Strict orders for fulfillment of the plan were issued. Increased fishing was to be begun immediately even though it was winter.

(42) With respect to allotments, radio traffic gave the following picture: The Soviet system of food allotments contained many levels of supply. They were dependent on the difficulty and length of work and on the office. The monthly food norms for industry and transport were as follows:

	<u>For 1 laborer</u>	<u>For 1 office worker</u>
Meat	1,800 grams	1,200 grams
Fat	400 "	300 "
Sugar	400 "	300 "
Peeled grain	1,200 "	800 "

Moreover, laborers and office workers received a warm lunch daily. Party officials received larger rations than normal workers; for example, participants in Party training courses received the following monthly allotments:

Meat	2,200 grams
Fat	600 "
Sugar and sugar goods	500 "
Peeled grain and macaroni	1,500 "
Bread as for a heavy worker.	

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(43) In January an increased grant of supplementary provisions was established at enterprises. In spite of the grants, however, workers often could not receive the supplemental rations because the necessary food was lacking. Daily norms for the supplementary provisions were as follows:

	Heavy industrial workers	Transport workers (upon fulfillment of the working norm)
Meat or fish	50 grams	70 grams
Fat	10 "	10 "
Peeled grain	50 "	100 "
Macaroni	---	50 "

The daily bread ration was as follows:

For workers of the first category (heavy workers):	800 grams for work norm fulfilled (900 grams for work norm exceeded 600 grams for work norm not fulfilled)
For workers of the second category	600 grams
For office workers	400 grams.

(44) The highest rations were received by the crews of departing ships. They consisted of the following for each man per ten-day period:

Meat or fish	2,000 grams
Fat	?
Sugar	200 "
Peeled grain	600 "
Potatoes	4,000 "
Vegetables	3,000 "
Tobacco	100 "

Crews of tankers received the following additional daily allotment (while under way):

Crews of tugs and rafts received the following daily allotment (while under way):

Meat	100 grams	75 grams
Fat	?	?
Sugar	20 "	15 "
Bread	400 "	200 "
Tobacco	20 "	15 "

(45) According to communications received, food supply in February was about the same as in the previous month.

(46) Many regions seemed to be in arrears in delivery of grain, flour, vegetables, meat and milk products. For example, the flour industry of the Caucasus fulfilled its February plan only 48%. Other agricultural projects, for example, the drying of vegetables and potatoes and the repair of agricultural machines, were also behind schedule.

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(47) With respect to the food situations there were no changes in March larger than those in February. Larger shipments of fish were noted. For example, Gur'ev supplied 450 tons of fish to Astrakhan. In Georgia larger amounts of potatoes (13,700 tons) and vegetables (20,000 tons) were released. Large supply difficulties prevailed, however, in the reconstructed regions. Stalingrad demanded an investigation of this lack.

(48) In March preparations for spring deliveries were observed. In Kazakhstan the preparation of seed was fulfilled 86% and the repair of agricultural machines 85%. In Georgia there were repaired up to 1 April 95% of the tractors (about 1,800), 84% of the tractor-drawn ploughs (about 1,200) and 70% of the other agricultural machines (about 4,200). A lack of seed grain was noted repeatedly. Many telegraphic requirements resulted.

(49) The food industry was obliged to produce varied products. For example, no macaroni or dough products could be produced in Ordzhonikidze because of a lack of flour. The preserves factory in Gori overfulfilled its expected production by 1,000 cases.

(50) The increased fish catching project also met with difficulties. There was a lack of the necessary personnel, boats, equipment and also salt for preserving the fish. Fish Sales Offices, such as at Baku and Tbilisi, were therefore behind delivery schedules for the first quarter year. Nevertheless, an increase in production was apparently achieved, as indicated by numerous increased shipments of fish, transport of which was reported by radio.

(51) In April there was a scarcity of bread grain in the Caucasus, while groats, rice, potatoes and tea were abundantly on hand. In the Transcaucasus the supply of bread was especially short. Since the produced amounts often could not be transported, grain stocks in the consuming regions were depleted. For example, on 25 March Tbilisi had a stock of 7,200 tons, and on 15 April had only 2,400 tons. Azerbajdzhan could deliver to Poti only 2,500 tons of wheat instead of 7,400 tons. In Stavropol' there were 23,600 tons of grain destined for the Transcaucasus, but which could not be transported. In Kujbyshev bread was also scarce. Because of a lack of bread, ships there could not even depart on time. In Baku Harbor lay 2,000 tons of rice which could be disposed of. Erevan, with an expected consumption in April of 2,200 tons, had a stock of 10,300 tons on 1 April. There was, therefore, a rich supply. The Plant "Generator" in Tbilisi received in the first quarter year 70.5 tons of fish and only 38 tons of meat. The NKRF enterprises in Kujbyshev received allotments for the second quarter which covered needs for fish only 22% and for fat only 88%.

(52) Fish catching was to be almost doubled in the second quarter. In this connection, increased shipments of salt were noted. Astrakhan, for example, received 5,000 tons of salt.

(53) Food production in the second quarter was likewise to be increased. The Georgian Food Combine, therefore, was to deliver 600 tons of dough products to the Georgian Trade Commissariat in April. Ordzhonikidze, which could produce no food in March, was to produce 120 tons of macaroni and 35 tons of dough products in April. The orders for production increases seemed more often than not to have no connection with the actual productivity of the plants. Thus, the butter factory in Tbilisi was to deliver 163 tons of butter in April, but this

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plant had a productivity of only 140 tons (per month), which means that the planned figure was 16% too high. In the second quarter 817 tons of vegetable oil were to be delivered, but productivity was only 420 tons, or the planned figure was 95% too high.

(54) Intercepted radio communications indicated that the food situation deteriorated at the end of April and the beginning of May both for the NKRF and in the Caucasus. Provision of NKRF personnel in Rybinsk met with difficulties. Maintenance of the community of Cherdyn was placed in question as there was a complete lack of fat and in April only 10% of the expected amount of barley was delivered. NKRF enterprises such as Omsk, Ilijsk and Semipalatinsk were to receive only two thirds of their allotments of butter and pastry goods in the second quarter.

(55) The Georgian and Transcaucasian Meat and Dairy Sales Offices could supply the industrial workers of their regions at best only poorly with food in May. The Georgian Council of Peoples' Commissars was even forced to request intervention by Moscow.

(56) An extensive campaign to strengthen children was undertaken in the Caucasus. Eggs, potato flour, cocoa and chocolate were ordered for this purpose. It apparently began in May and is being pursued at present.

(57) Spring deliveries by the NKRF took an unsatisfactory course because tractors and the agricultural machine inventory had not been completely repaired. In many cases horned cattle had to be pressed into service. Moreover, there was a lack of seed grain and seed potatoes. Some enterprises were forced to provide seed grain from their own supplies. Many offices were consequently behind their spring delivery schedule in May; among such offices were:

Astrakhan	Krasnoyarsk
Blagoveshchensk	Molotov
Khabarovsk	Novorossiysk Oblast'
Gor'kij Oblast'	Omsk
	Ulan-Ude.

Many locations were also behind schedule in the sowing of summer grain, which should have been completed by the first of June; among such offices were:

Astrakhan	Irkutsk
Baturino	Krasnoyarsk
Borovaya	Omsk
Cherdyn	Stalingrad
Ilijsk	Semipalatinsk.

(58) Deliveries were also lagging in the Caucasus. In order to finish up the work, all available strength was brought to bear. In the reoccupied regions as well, field deliveries were feverishly undertaken, since great attention was generally given to the reconstruction of the food industry in reoccupied areas. Large quantities of personnel and equipment were dispatched to those areas. Nevertheless, every piece of land in regions near the front had to be planted with vegetables and potatoes. This was repeatedly emphasized in telegraphic orders.

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(59) Great efforts were expended in the field of cattle raising; there were setbacks here, however, because of a lack of cattle fodder. The stock of pigs in Krasnoyarsk was about doubled. Pigs, however, can not be used as fodder.

(60) Despite growing difficulties, fishing grew. The established plans could be fully met at some locations. Rostov-on-Don was to catch 320 tons in the first half year, and on 20 May reported that they had already caught 326 tons. During the same time, Georgian Fish Trust caught 2,332 tons as against a half-year plan of 2,150 tons. The Fish Center Astrakhan had a larger catch; the catch also increased sharply at Azov and Gur'ev. Processing difficulties arose, however, as a result of a lack of salt and packing material. For example, 1,000 tons of salted fish piled up, lacking packing material. "Volgatanker", Astrakhan, needed 800 tons of salt. Armenia needed 1,000 tons of salt in addition to the 200 tons already authorized. During the third quarter there were orders for 3,500 tons of salt. In Kujbyshev fish had to be sold without ration cards because there was no salt to preserve them.

(61) The food situation for the NKRF was also strained in June. Primarily, the supplementary allotments of food could be issued to personnel because of insufficient delivery. The Ural Shipping Company could not issue the raised bread allotment of 800 grams to its workers in ship repair workshops, but had to continue a daily allotment of 600 grams. Kujbyshev had ordered supplementary food, but this was refused and they received the order to supply the workers from their own stocks. Kalach-NKRF had received no supplementary food for personnel of the Reconstruction Directorate in the second quarter even though it had been ordered. Kamuste also had received no supplementary food since the opening of the shipping season.

(62) In the Caucasus as well, a lack of bread in individual instances was noted. Attention was also given to the existing lack of fat, a result of production in Armenia of cotton seeds of limited oil quality for food purposes.

(63) The condition of NKRF deliveries of grain, potatoes and vegetables was not satisfactory. The lack of day workers was reported more and more frequently. It was administratively emphasized that the obligations undertaken by River Fleet employees for an extensive self-supply program could be fulfilled only if everything was done to guarantee a good harvest. Agricultural deliveries, however, may be considerably behind schedule.

(64) As of 20 June (1 June had been the expected deadline) the Krasnoyarsk Water Transport Base had completed only 41% of the sowing plan. Gor'kij had fulfilled 78% of the sowing plan and only 60% of the potato cultivation plan. Molotov had fulfilled only 78% of the sowing plan as of 5 July. Kujbyshev ordered an additional 860 tons of potatoes and 300 tons of vegetables, as the self-supply program could not cover the needs of the year.

(65) The condition of agricultural work in the Caucasus was also unsatisfactory. This forced the various industrial Peoples' Commissariats to prescribe definite work norms for the Sovkhozes under their jurisdiction. Persons responsible for nonfulfillment of the decrees were to be turned over to prosecuting authorities.

(66) According to weather forecasts in open sources, bad weather and a correspondingly unsatisfactory harvest are expected this year. As of June

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this prediction seemed to be corroborated. Only a moderate harvest of hay was expected in the Aktyubinsk Oblast', as the land on which manure had not been spread produced hardly any yield, and the manured land was expected to give a satisfactory yield, oats, fodder grain, millets, buckwheat and sunflowers were poor. The causes for this were a preliminary drought and then strong rain in June. A very poor harvest was also expected in the other middle Siberian regions because of drought. The cattle industry in these regions required about three times the allotted grazing area.

(67) The drought had damaging consequences also in the Rostov-on-Don Oblast'. Barley and millets progressed badly. Insufficient seed grain was on hand for the spring of 1944. Cattle fodder was scarce and deliveries could not be met. However, bread grain seemed to produce a better yield because up to 25 June the "Gigant" Trust had delivered 1,000 tons instead of the expected 800. Agricultural products in Kustanaj were also unsatisfactory during the first half year. Of most importance were noted failures in milk production and poultry raising.

(68) Several NKRF Offices such as Ilijsk, Semipalatinsk, Tavda and Uralsk could not completely fulfill their fishing plans. An increase was to have been achieved here under all circumstances.

(69) It has been learned from radio communications that self-supply of both vegetable and meat products was insufficient. Special allotments extensively withheld for heavy workers were held accountable for the insufficient food situation. More and more often were there reports of a lack of usable agricultural equipment, fuel, seed grain, cattle fodder and manpower. A public proclamation declares:

"At the present time the smooth performance of harvest workers is the most important military-economic task!"

3. Metal Supply

(70) In January the metal supply seemed to be running relatively normally. Only a few complaints were noted regarding a lack of or insufficient deliveries. The situation in February was about the same. In March, however, supply came to a standstill. This development was confirmed by the scope of intercepted authorizations. Accordingly, the following picture, based on radio traffic, was presented in the first quarter:

Authorizations	Raw Iron and Raw Steel	Half-finished Goods	Finished Goods
January	602 tons	652 tons	79 tons ¹
February	970 "	1,290 "	73 "
March	567 "	263 "	40 "

1. Estimates for finished goods were mostly by the piece, which have not been considered here.

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(71) In March the unsatisfactory course of the scrap metal collection program also became apparent.¹ Relief measures had to be employed. In addition to the usual admonitions to carry out the scrap collection according to plan, enterprises were ordered that unnecessary metal objects, more specifically all machines, technical equipment, instruments and spare parts which were not suitable for further production use, were to be included in the scrap collection drive. Within the Komsomol organization a competition for scrap collection was organized. The stoppages were mainly traceable to loading difficulties which were intensified at the end of the first quarter. For this reason supplying scrap was even worse. Several reports in April stated that procurements were larger than scrap shipments. The Erevan Metal Sales Office could fulfill only 34% of their cast iron contract. Instead of 174 tons, only 60 tons were shipped. As a result of a lack of case iron, further shipments had to be halted in April. The Baku Metal Sales Office also could deliver only 59% of the authorized case iron during the first quarter; instead of 865 tons, 496 were delivered.

(72) The following extensive details of the Copper Rolling Mill in Tbilisi clearly reflect the overall development. This is the most important copper mill in the Caucasus. During the first decade of May, according to an agreement with the Transcaucasus Railroad, the mill was to make no shipments because the railroad was overloaded. By the end of May, therefore, stocks equivalent to three months' production had accumulated (average of the last three months). The Copper Rolling Mill, which has a capacity of about 150 tons monthly, produced:

in March		70 tons
in April		45 "
in May	about	60 "
in the first 10		26 "
days of June		

(73) The drop in production in April was compensated for in the following months. The shutting off of production was primarily caused by lack of raw materials and finally because of the transport situation. In detail, production and stocks were as follows:

Day	Daily Production	Total Production	Stock
30 April	?	--	157 tons
1 May	(Holiday)	--	157
2 May	"	--	157
3 May	5 tons	5 tons	162
4 May	5	10	167
5 May	3	13	170
6 May	4	17	174
7 May	3	20	177
8 May	5	25	182
9-20 May	1.23	39	177
21 May	2	41	179
22-24 May	4	45	183

1. Deliveries of scrap will be computed in quarterly and half-year periods.

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Day	Daily Production	Total Production	Stock
25 May	3 tons	48 tons	186 tons
1-7 June	2.6	18	?
8 June	4	22	152
9 June	2	24	154
10 June	2	26	156

The practically unbroken increase in stocks clearly indicates difficulties in shipping. Up to the end of May only 19 tons could apparently be shipped. Larger shipments began only at about the beginning of June.

(74) In April and May many shipments of metals were stored in stock yards when they could not be shipped because of a lack of railroad cars, as was learned from radio communications. The lack of transport originally had only the result that production could not be shipped. As this continued into April and May, cutbacks and even stoppages in production became apparent. For example, the Manganese Trust at Chiaturi, which had shipped 28,400 tons of manganese ore in March, received 858 freight cars too few in April. Consequently, about 17,000 tons of ore remained unshipped. As a result of missing manganese ore shipments, production of steel during April at Kuznetsk and Magnitogorsk suffered an interruption.

(75) The Copper Rolling Mill also could not maintain steady production during the middle of May because of a lack of raw material. During the period 9-21 May, therefore, average production sank to only 1.23 tons, as against 4.15 tons in the period 3-8 May.

(76) In spite of all efforts to the contrary many locations as of the middle of May had not fulfilled their planned deliveries of scrap; according to intercepted radio communications, these NKRF offices are as follows:

Baturino	Molotov
Bor	Novosibirsk
Borovaya	Omsk
Blagoveshchensk	Raznezhe
Gorkij	Semipalatinsk
Gorodets	Zvenigovo
Irkutsk	Chistopol
Krasnoyarsk	Chkalovsk
Kujbyshev	Ufa.

(77) Deliveries for the first quarter were still partially to be fulfilled. Delivery arrears were mainly traceable to transportation difficulties, for example, at Gorkij, Rostov-on-Don and Krasnoyarsk which already had the due quantities on hand. Transportation difficulties were of particular importance at places lying far from railroads. Moscow repeatedly urged an elimination of arrears during May and June. Scrap metal yield in the first half year was as follows:

Delivered:			
January	2,980 tons	April	1,060 tons
February	374	May	135
March	276	June	126
1st quarter	3,630 tons	2nd quarter	1,321 tons

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<u>Collected but not delivered:</u>		<u>Scrap metal yield (collected and delivered)</u>	
1st quarter	204 tons	1st quarter	3,834 tons
2nd quarter	4,061	2nd quarter	5,382
	4,265 tons		9,216 tons

(78) With an improvement in transport conditions in June, an improvement in the metal industry field was also noted. Numerous shipments of metal were reported. The Copper Rolling Mill in Tbilisi, for example, could ship about 65 tons at the beginning of June, that is, a month's production (compared to 19 tons in May).

(79) The number of authorizations in the second quarter showed an increase over those in March (according to radio traffic):

	<u>Raw iron, Raw steel</u>	<u>Semi-finished goods</u>	<u>Finished goods</u>
March	567 tons	263 tons	40 tons
April	308	2,522	356
May	652	238	225
June	624	850	155

(80) The import of metal products played a relatively small roll--it was more a question of the import of special types of steel and also of more simple products such as steel cable. Scrap from captured equipment attained greater significance. It was systematically collected and forwarded for processing.

4. Oil Supply

(81) As a result of the German advance in the Caucasus, oil supply ceased and all oil-burning ships were ordered tied up; the crisis in the oil situation rising from September 1942 had the result that two basic measures were undertaken to improve the fuel picture. First, conservation measures and a storage system were ordered, and secondly an extensive conversion to other methods of firing was initiated.

(82) For basic conservation purposes oil allocations in January were reduced and the consumers were thus obliged to operate more economically. Consumption reports for 1943 had to be at least 5% lower than those for 1942. In order to conserve the particularly scarce gasoline, a mixture of 75% gasoline and 25% diesel fuel for gasoline motors was ordered introduced. Moreover, workers received rewards for economical use of fuel.

(83) The various NKRF offices received directions to set up reserves of oil. For example, Chardzhou-NKRF was ordered to create a stock of 200 tons of mazut. Stocks of petroleum were also set up. Moreover, a government oil reserve was created. There was apparently a shortage of oil tanks, however, because in the Volga delta region open trenches were dug and filled with oil.

(84) The conversion of trucks and ships was to take into consideration the oil which could be obtained on the spot. There resulted an extensive

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introduction of gas generators and a changeover to wood firing in plants, ship-yards and power stations. Extensive conversion to wood firing was also undertaken in the shipping industry. Trucks and tractors were widely converted to fueling by wood gas. Many messages urged the unconditional fulfillment of these measures. Everyone was urged to make available to all others by interchange of information the technical experience gained in this conversion. For this purpose a conference was called in Moscow in January which was to consider the subject of wood firing aboard ships.

(85) Conversion and conservation measures reached larger proportions in January. The River Fleet, which was one of the principal consumers, required no fuel for its ships because of winter cessation of operations, which eased the oil supply situation somewhat.

(86) In February the oil supply situation became more critical and conservation measures were generally increased. During the first ten-day period of February NKRF offices were supplied with only 15% of the amounts in January. Subsequent deliveries were expected in part.

(87) In March oil supply seemed to move more smoothly so that allotments were generally fulfilled. Nevertheless supplies were scarce. Conservation measures were still maintained. For example, in Irkutsk 2,000 tons (5.4%) and in Novosibirsk 2,500 tons (2.9%) of the previous year's oil consumption was saved. According to this, the Angara Steamship Agency had required about 37,000 tons of oil in the previous year and the Ob Steamship Agency about 87,000 tons. Further emphasis was laid on the creation of an oil reserve.

(88) At the end of March many plants received only a quarter or a fifth of their approved needs. It was reported that Baku and Batum could ship only half of the expected quantity of fuel by the end of March. How greatly the needs of the NKRF rose as a result of the beginning of river navigation is shown by the following authorizations and deliveries:

	Mazut	Oil	Diesel oil	Petroleum (tons)	Gasoline	Motor oil
January	720	303	2	53	7	62
February	710	10	1	53	11	171
March	4,754	890	207	5,107	2,409	859.

(89) Ligroin and gas oil fuels as well as special oils such as cylinder oil, turbine oil, spindel oil, viscosin, ligrol, solidol, and axel oil were shipped back in large quantities. They were particularly needed by the NKRF plants. Total deliveries and authorizations for fuels and lubricants during the first quarter were:

	<u>Fuels</u>	<u>Lubricants</u>
January	1,086 tons	335 tons
February	792	193
March	15,412	1,081

(90) In May the supply situation became worse with respect to the previous month. Authorizations for the NKRF could be met only up to 20% of the amounts in April.

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(91) Shipping lines were often not sufficiently supplied with fuel. For example, the Saratov and Stalingrad Water Transport Bases were without fuel. There was also a lack of fuel in agriculture. Many requirements resulted from this situation. Deliveries from fields could not be completely carried out. In Saratov and Omsk the NKRF offices could not issue any fuel for seeding. There was also a lack of petroleum for lighting. Petroleum for this purpose was finally issued partially in December. Many telegraphic grievances were the result.

(92) Stock and turnover reports indicate in most cases increased consumption, so that stocks were depleted. Even in the Caucasus plants were partially lacking oil. By the end of May, however, conditions were again satisfactory in this area.

(93) During May many additional requirements were issued by individual enterprises. Planned allotments of fuel had been estimated much too low to fulfill the production plan. Quantities ordered subsequently almost totalled planned deliveries. Georgia Tea Sales, for example, required on the May plan 370 tons of oil and 51 tons of gasoline, and needed an additional 375 tons of oil and 69 tons of gasoline.

(94) In May steam tugs employing wood firing were built in Novosibirsk. Molotov and other NKRF offices were to reconvert individual ships back to oil, with the retention, however, of the equipment for burning hard fuels. These steps were apparently conditional to supply possibilities of various fuels in the individual regions.

(95) In June the overall supply situation became even worse with the exception of the Caucasus. Oil supply to steamship agencies, such as the Moscow, Oka, Kama and Volga Steamship Agencies was completely unsatisfactory. There were widespread stoppages of operations. These offices unconditionally required 20,000 tons of mazut and 3,000 tons of motor oil. Because of a lack of diesel fuel motorships in Kujbyshev were forced to lie idle. There was a lack of lubricants at several industrial plants, such as at the "Rostov-Coal" and "Voroshilovgrad-Coal" Combines. There was no gasoline for industry at Uralsk and Saratov. Many airfields of the Civil Air Fleet likewise reported lack of fuel and lubricants.

(96) As a result of these difficulties conservation measures were renewed. All passenger ships were ordered to use only one boiler when travelling downstream on the Volga in order to conserve mazut. The established conservation norms were, however, widely exceeded. For example, Gorkij-NKRF consumed 1,280 tons of mazut over the norm in May.

(97) The intercepted authorizations and deliveries show that supply was relatively best in April and since then steadily deteriorated. The figures for April are a little too high because some quarterly delivery figures are included in them; the June figures, on the other hand, are somewhat low as a result of insufficient material on hand. The growing difficulties in the oil supply picture are, however, apparent. From the opening of navigation authorizations and deliveries developed as follows:

	Mazut	Oil	Diesel oil	Petroleum	Gasoline	Motor oil
March	4,750	890	210	5,110	2,409	860
April	64,790	16,620	12,930	8,130	5,930	2,030

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	Mazut	Oil	Diesel oil	Petroleum	Gasoline	Motor oil
May	36,270	3,450	1,300	3,550	1,680	2,060
June	17,680	490	10	960	130	100
1st quarter	6,180	1,200	210	5,210	2,430	1,090
2nd "	118,740	20,560	14,250	12,630	7,740	4,190
1st half year	124,920	21,760	14,460	17,840	10,170	5,280

	<u>Fuels</u>	<u>Lubricants</u>
March	15,410 tons	1,080 tons
April	114,400	2,120
May	46,260	2,090
June	9,390	1,140
1st quarter	17,290	1,610
2nd quarter	173,050	5,360
1st half year	190,340 tons	6,970 tons.

(98) The relatively high petroleum deliveries may be explained by the fact that in March they had already been largely set aside. Since petroleum is mainly used by tractors, this would have to depend on spring deliveries in agriculture. A catastrophic drop in oil supply is apparent from the above table, which has been confirmed by reports of shipping stoppages either in effect or impending.

5. Coal Supply

(99) In the Soviet Union coal supply had been long strained; even as early as before the winter of 1942-43 extreme economy in the consumption of coal had been ordered. At the beginning of the year, however, the NKRF coal supply was satisfactory because the Fleet had no great needs for coal during the winter tie-up. We can assume from this that, during the winter, reserves were built up in order to guarantee supplies for the summer. In winter the NKRF received coal mainly for its industrial plants. A sufficient supply was also indirectly assured by repeated prohibition by the Central Directorate in Moscow of issuing coal to other organizations.

(100) Allotment of coke, on the other hand, was very scarce. As a result of the loss of the Don Basin, Kuznetsk coal had to be used for coking. Its production, however, did not cover needs. At the end of 1942 and the beginning of 1943, therefore, Cheremkhovo coal was used for coking. Nevertheless, there was noted a great lack of coke in the NKRF industry in January. Plants often had to use peat with a 30% addition of coke for foundry purposes. Frequent telegraphic refusals indicated that as a result of the coke shortage many contracts could not be fulfilled.

(101) In February conditions in the NKRF were approximately the same; coal supplies were adequate and there was no coke. Conservation measures such as those applied to oil could not be instituted. Coal production then seemed to be adequate.

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(102) In March coal and coke supplies were unchanged. As far as single delays in supply were concerned, they were limited by late delivery of railroads cars. An allotment decrease, such as that in the supply of oil, did not occur. Coal transport for the NKRF was effected mainly by rail. From March on, traffic from the Caucasus region was also intercepted. There was adequate coal on hand there also, but coke was scarce. As in the NKRF there were delays here also due to transportation difficulties. The Armenian Oil Plant, for example, could ship only 5% of the planned amount of coke during the first quarter.

(103) At the end of April several industrial plants in the Caucasus received only a quarter of their coke requirements because of a lack of railroad cars. Deliveries of coal to industry were likewise insufficient. The Georgian Textile Industry, for example, received only about one third of their requirements and plants of the chemical industry received only about half. These shortages were caused by an abrupt drop in coal production at the two most important coal mines of the Caucasus; Tkvibuli and Tkvarcheli.

(104) For some time industrial plants met the coal shortage by recourse to "permanent reserves". Thus, the Chemical Plant in Kirovakan requested they be allowed to make such recourse. On the other hand, plants were also directed to set up additional "permanent reserves". It was questionable, however, if this were possible under existing conditions.

(105) As navigation opened and the need for coal rose, renewed transportation difficulties became apparent. Nevertheless a surplus of coal was delivered to the NKRF in April. Several NKRF offices, however, still suffered coal shortages.

(106) As a result of a deterioration in transportation during May the coal supply situation became even more strained. In the Caucasus a further worsening in supply occurred as a result of dispatch difficulties.

(107) At the middle of April a shortage of explosives occurred at the Tkvarcheli and Tkvibuli coal combines. In May there was a complete lack of explosives. For a while they were able to make out with requisitions for explosives at other places but these stocks were inadequate. During the period from the beginning of 1942 until May 1943, Tkvarcheli had completely fulfilled the production plan only in April 1943, which for 1943 was a daily production of 1,150 tons of coal and a yearly production of 385,000 tons. In May, however, production dropped because of the above causes and threatened to die out entirely. Tkvibuli, which had delivered 22,135 tons of coal in April, was to produce 9,774 tons in the first ten days of May. But as a result of a lack of explosives, only 4,222 tons (43%) were produced. During the same period 4,869 tons (49% of plan) were delivered. The shortage of explosives in the coal fields was caused by transportation troubles. Explosives had been shipped as far back as March for Tkvibuli from Plant #98 in Molotov, but by 22 May the shipment had not been received because the railroad cars were held up on the Orenburg Railway. At Tkvibuli explosives had run out as of 11 April. The Army, therefore, had to assign trucks to meet the situation. The receipt of mine timber was also insufficient due to transportation troubles. For this reason production plans could not be fulfilled. In contrast, the "Krasnyj Don" Mine fulfilled the 2nd quarter production plan about 90%.

(108) Since industry in the Caucasus could struggle along on its own stocks of coal for only a short time, serious cutbacks in industrial production

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occurred. Traffic indicated that in May only a few plants still had stocks.

(109) Coal supply in June was also inadequate. There were shortages of coal at both the NKRF and in the economy of the Caucasus. In the Rostov Oblast' industrial plants received only about half of their requirements. Some plants even were forced to shut down. Armenian agriculture received only 60% of its requirements from Tkivbuli and Tkvarcheli during the first week of June.

(110) The development of authorizations for the NKRF confirms the course of the coal supply situation described above.

January	9,200 tons	April	67,500 tons
February	6,400	May	75,000
March	<u>5,400</u>	June	<u>21,000</u>
1st quarter	21,000 tons	2nd quarter	163,500 tons
1st half year 184,500 tons			

(111) In the Caucasus region coal supplies were sufficient until the shortage of explosives set in in May. In spite of all efforts, these troubles had still not been surmounted in June, as the following table shows:

	<u>Requirements</u>	<u>Authorizations</u>	<u>Deliveries</u>
March	12,100 tons	11,400 tons	24,700 tons
April	19,000	1,200	24,300
May	17,800	30,900	6,900
June	31,200	16,200	6,100
2nd quarter	<u>68,000</u>	<u>48,300</u>	<u>37,300</u>
March - June	80,100	59,700	62,000

(112) In the field of coal supply shortages were not as serious as for oil because here needs could largely be met locally. As far as could be determined from radio traffic, the coal mines abundantly fulfilled their production plans. Supply shortages were due primarily to transportation difficulties.

6. Timber Supply

(113) The following picture of the timber supply field is apparent from radio traffic: The timber requirements of the Soviet Union were already rising in the last months of 1942 and in 1943 rose even higher. The cause for this was a greater need by industry for construction timber to meet increased production programs. Moreover, there was the need for reconstruction in the liberated territories. The extensive conversion to wood firing, especially in the transportation industry, further contributed to increased requirements for wood. The difficulties rising in timber supply were limited by a general organizational lack of both transportation means and also manpower. There was a lack of timbermen for felling timber as well as a lack of transport machinery and workers to bring the felled timber to rivers for transport. For this reason, the NK for the Timber Industry came far from meeting needs of, among others, the River Fleet. Consequently, plans for self procurement of timber were issued from the NK in Moscow to the various shipping lines. Transportation equipment and workers were to be placed at the disposal of NKRF organizations from their Sovkhozes.

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Where this was not possible, NKRF organizations' own remedial measures were to be resorted to.

(114) In order to alleviate the lack of manpower during the winter tieup of the fleet, large numbers of personnel of the NKRF were assigned to timber procurement operations. At the beginning, this influx of workers caused organizational difficulties, but in January the situation had smoothed out (compare the Food Situation).

(115) NKRF timber procurement plans, as far as have been intercepted, are as follows:

1st quarter	887,000 cubic meters
2nd quarter	1,475,000
3rd quarter	801,000
1st half year	2,362,000 cubic meters.

(116) Since about a third of the messages sent on the NKRF radio net were intercepted, a rough estimate may be made from the figures above that in the months of January thru September 1943 about 9,500,000 cubic meters of timber were to be procured by the NKRF. While procurement operations were performed mainly during the first quarter, transport was carried out principally during the navigation season, that is, during the 2nd and 3rd quarters. Timber flotation on Siberian rivers, for example, was undertaken mainly in April, May and June. During this period about two thirds of the timber was floated which was planned for the entire shipping period. The amounts of timber dispatched by ship and that by floating are about the same. Of the timber procured during the first half year, about 40% was for fuel and 60% for other uses.

(117) In comparison with the preceding month, supply conditions in February were little changed. The personnel shortage observed in January was not noted on the same scale in February. However, transport difficulties increased because of a lack of horses. In many rajons only half of the horses required for timber transport were on hand.

(118) In March timber supply did not reach the expected production. In the Pechora Oblast' only 11,300 cubic meters of timber were delivered instead of 65,000 cubic meters, or only 18%. Kujbyshev fulfilled the procurement and transport plans for the fall and winter period only by 60% and 28% respectively with an actual production of 33,350 cubic meters procured and 15,400 cubic meters shipped. During the first quarter 887,000 cubic meters of timber were to be procured according to plan (see Para. 115); actually, however, only 385,000 cubic meters (43%) were procured and 110,000 cubic meters (12%) shipped.

(119) Timber supply took a turn for the worse in April. At several places timber procurement operations had to be halted because of a lack of transport and manpower. Consequently, several plants were ordered to obtain timber by themselves.

(120) The shipping industry required timber for shipbuilding and repairs. As a result of insufficient timber supplies shipbuilding plans could not be met (see Shipbuilding). Moreover, the shipping industry had a great need for wood as fuel. Stoppages also resulted in shipping because of insufficient timber supplies.

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(121) In addition, a great deal of timber was required from other industries for reconstruction of the NKRF. Many telegraphic appeals indicated that since these additional needs could not be promptly met, construction work was lagging.

(122) An additional, more important, need was by coal mines which required mine timber. For example, the Georgian Coal Trust needed 18,000 cubic meters for 1943 which, however, could not be obtained on the spot. The "Dzadzhur" Mine was forced to interrupt its work in April because of a lack of mine timber. There was a lack there of 760 cubic meters of mine timber. For the current month Tkivbuli and Tkvarcheli were each to receive 2,000 cubic meters of mine timber from timber supplies, but received only 1,870 and 1,635 cubic meters respectively, or about 14% too little. Each received 300 cubic meters of timber from their own rajons.

(123) In May timber supply was strained as previously. The shipping industry partially lacked fuel wood. Thus, Uralsk required 2,000 cubic meters. During May the Transcaucasian coal mines received the following amounts of mine timber: Tkivbuli received 970 cubic meters of timber from Timber Supply and 1,000 cubic meters from the mine's rajon during the first two ten-day periods of May; Tkvarcheli received 1,190 cubic meters during the same period and procured an additional 200 cubic meters themselves. In Chiaturi, however, there remained a larger need for timber.

(124) In June many shipping offices were behind schedule in their timber procurement operations; these included Blagoveshchensk, Khabarovsk, Yakutsk, Krasnoyarsk, Zurazhevka and Ulan-Ude. They all were admonished by Moscow to fulfill the plan. There were more frequent complaints in radio messages about insufficient timber supplies; timber was lacking for both fuel and other uses.

(125) Procurement operations were repeatedly carried out inadequately, primarily because of shortages of timber cutters and transportation equipment. The procurement plan for the second quarter (as of 20 June) had been fulfilled by Yakutsk only 20%, by Kirensk 47%. The timber felling plan was fulfilled by the latter 42%. During the first two ten-day periods of June about 190 cubic meters were procured in Uralsk and about 140 cubic meters shipped, that is, about 74% of the timber procured.

(126) During the second quarter 1,475,000 cubic meters of timber were to be procured. Only 543,000 cubic meters, or 37%, were procured, however, of which 125,000 cubic meters (12%) were shipped. The following figures are given for the first half year:

To be procured	2,362,000 cubic meters		
Procured	926,000	" "	(39%)
Shipped	277,000	" "	(12%)

7. Shipbuilding and Ship Repair

A. Shipbuilding

(127) 83 shipyards and 64 ship repair plants have been identified as subordinate to the NKRF.

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(128) The shipbuilding industry, according to radio traffic, was especially strongly urged during the winter months to have sufficient shipping ready for the coming navigation season. After a preparatory period in October and November, large-scale construction began in December. In order that most of the ships would be ready for service at the beginning of navigation, that is, in April, most of the new construction of the first half year, was performed during the first quarter.

(129) In January the following were under construction:

- 3 Steamers
- 4 Motorships
- 2 Motor cutters
- 29 Tugboats
- 33 Barges
- 6 Flatboats
- 50 Small boats.

(130) In order to increase shipbuilding in the winter of 1942-43, a "Socialist Competition" was organized. Under it, various shipyards undertook to construct ships above plan. The following such construction projects were identified:

- 8 barges totalling 1,350 tons
- 20 fishing boats totalling 300 tons.

These ships were constructed by 8 shipyards.

(131) In the preparation for and carrying out of new construction, arrears became apparent at many shipyards by the end of 1942. All plants which remained behind schedule were severely reprimanded by Moscow.

(132) As a result of the oil shortage, many steamers, with the exception of oil burners, were converted to use solid fuel, particularly wood. This conversion had made great progress by January. Kujbyshev reported that the reconstruction of 7 ships in Alekseevka had already been begun and that following this all the ships of the Lower Volga Steamship Agency would be converted.

(133) In connection with the measures to increase fishing, a further assignment was completing the construction of the fishing fleet. In the first half year the following were built:

in January	50 boats
February	50 "
March	53 "
April	70 "
May	20 "
June	--

(134) Moreover, the shipyards had contracts for the Navy to satisfy. In December and January these amounted to 590,000 rubles.

(135) An additional task arose in winter for the plants of the NKRF: ice breaking operations to protect their ships.

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(136) In order to conserve material important for armaments, proposals and attempts were made in the shipbuilding industry to substitute wood for steel. Gorkij, for instance, offered to construct wooden barges for oil transport. There were also attempts to construct wooden pontoons. In the program of new construction, steel barges were seldom mentioned.

(137) In February the opening of navigation had an even greater influence on the work. A directive was published by Moscow to postpone or not to accept all orders which were not dependent on the opening of navigation.

(138) In February the following were under construction:

- 6 Tugboats
- 21 Barges
- 12 Motorboats
- 3 Flatboats
- 50 Small boats.

(139) Reconstruction for solid fueling was energetically undertaken. In Khabarovsk 8 ships were rebuilt at a cost of 360,000 rubles.

(140) In March good results were reported from the shipyards in Raznezhe, Borovaya and Sokolskoe-Ivanovskoe. However, the Gorodets Shipyard did not meet production estimates. In the Shipbuilding Industry the construction of new motor driven vessels predominated. Of 21 barges only one was constructed of metal. In March the following were under construction:

- 1 Steamer
- 3 Motorships
- 10 Motor cutters
- 18 Motorboats
- 3 Tugboats
- 21 Barges
- 34 Flatboats
- 50 Small boats.

(141) During the first quarter Irkutsk received 20 cutter motors which were to be mounted on newly constructed vessels.

(142) At several shipyards material shortages arose. For example, the Vladimirovka Shipyard reported that they could not build any more boats because of a lack of wood.

(143) The Shipbuilding Industry in April was in about the same state as in the preceding month. The number of motorships again exceeded that of steamers. The number of small boats was again notable. They are without exception fishing boats. The following were under construction in April:

- 1 Steamer
- 3 Motorships
- 31 Barges
- 70 Small boats.

(144) A good condition of work was reported from the shipyard in Kostroma, where 30 barges were built, and from Raznezhe, where 40 fishing boats were built. In Zamuse, however, there were shortages.

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(145) In order to increase discipline and to proceed more strongly against shortages in the NKRF, martial law was declared throughout it in May (see Personnel Situation). Even though NKRF enterprises had in many cases not met requirements laid on them, their scope of assignments was widened. They were now obliged to perform repairs for military units of the Volga Flotilla and to furnish spare parts for tractors and agricultural machines. It was hoped to guarantee fulfillment of the plan by an expanded bonus system and by a general 24-hour working day.

(146) New construction in May:

3 Steamers
2 Tugboats
24 Barges
33 Flatboats
20 Small boats.

(147) The shipyards at Kalach, Molotov, Ulan-Ude and Zurazhevka were in arrears. Satisfactory production was reported by the NKRF offices at Gorkij, Plant "Karl Marx", (3rd prize), at Kostroma, Stalingrad (3rd prize), and at Zvenigovo, Plant "Butyakov". They received prizes.

(148) In June also, previous shortages prevented shipyards from fulfilling their programs. In Ust-Ussa were 200 barges lacking rudders. The shipyard at Chistopol was behind in the construction of barges. In Kujbyshev contracts for the Military Reconstruction Directorate were being carried out very unsatisfactorily. A 24-hour working day was therefore instituted there.

(149) The production plan for the first four months was fulfilled as follows:

Alekseevka	only by 31%
Aralsk (1st quarter)	" " 58
Ilijsk (1st quarter)	" " 66
Kryushi	" " 55
Kujbyshev	" " 57
Kujbyshev (another plant)	" " 37
Saratov	" " 18
Zolotovskij	" " 60
Ulyanovsk	" " 27

According to this, the plan in general was only fulfilled by one half. The arrears resulted, according to intercepted messages, from shortages of personnel and material, and also from organizational mistakes and the poor condition of working equipment.

(150) According to radio traffic, NKRF shipyards were to build the following from December 1942 through June 1943:

	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Steamers	--	3	--	1	1	3	--	8
Motorships	--	4	--	3	3	--	--	10
Motorboats	--	--	12	18	--	--	--	30

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	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Motor cutters	2	--	--	10	--	--	--	12
Tugboats	--	29	6	3	--	2	--	40
Barges	34	32	21	16	31	24	2	160
Flatboats	6	6	3	34	--	33	--	82
Small boats	20	50	5-	53	70	20	--	223

(151) The amount of new construction in the first quarter was larger than in the second. In the 1st quarter there were confirmed as under construction 89 ships with motor drive and 265 without, and in the 2nd quarter there were 9 with motor drive and 180 without confirmed. Steamers were mostly built as combined freight and passenger carriers. In only one case was a weight of 400 tons given. Tonnages were also lacking for motorships. Two, of 650 tons and 1,700 tons, were confirmed. Of the 40 tugboats identified, 12 had a tonnage of 22 tons, 12 were of 40 tons, 2 of 120 tons and 3 of 400 tons. For only 3 tugs was the horse-power rating given: 400 HP. 12 motorboats were given as rated at 40 HP.

(152) New construction of barges in the months of December thru June included 160 barges with a tonnage of 95,600 tons. The average weight of the barges was 500 tons. In detail, they ranged from 25 to 3,000 tons. The following table presents a breakdown of barges constructed by size and tonnage:

<u>Size Range</u>	<u>Number</u>	<u>Total Tonnage</u>
25 - 100 tons	4	150
100 - 200	19	2,500
200 - 400	28	7,150
400 - 700	74	38,000
700 - 1100	17	14,500
1100 - 1750	12	20,300
1750 - 3000	6	13,000

(153) There were 82 flatboats constructed from December thru June, totalling 6,700 tons, ranging from 40 to 200 tons. There were more of 100 tons than of any other tonnage. The following table presents a breakdown of flatboats built:

<u>Size</u>	<u>Number</u>	<u>Total Tonnage</u>
40 tons	20	800 tons
50	18	900
100	38	3,800
200	6	1,200

(154) The construction plans for new barges and flatboats included, thus, about 100,000 tons. From this the actual program for new construction can, therefore, be estimated at about 300,000 tons in the first half year of 1943 (see Foreword).

B. Ship Repair

(155) The tie-up of the fleet during the winter was utilized for repairs. Radio traffic indicated that the NKRF also performed repairs on small naval units and equipment.

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(156) In January repair work was greatly emphasized in order to have all ships ready for service with the opening of navigation. Even at this time (January) the state of this work presented a conflicting picture. Some NKRF offices had good results to report while others were far in arrears. These arrears were caused by shortages of personnel and material, as was the case in the shipbuilding industry. The "Volgatanker" Fleet, which is of great importance in transporting oil on the Volga, was badly behind schedule. Repairs reached about 20% of the goal. In Kujbyshev, on the other hand, repairs were going ahead well. Self-propelled vessels were 56.6% overhauled and non-self-propelled vessels about 75%. There were, however, shortages of tar, paint, varnish and glass. In Ilijsk the progress of repairs was unsatisfactory. There the number of hours spent on ship repairs was about 50% lower than that in December: 21,000 working hours as compared to 38,000. In Semipalatinsk, on the other hand, the number of working hours in January increased by 37% over the preceding month: from 65,500 to 89,900 working hours.

(157) The impending opening of navigation influenced the course of repairs in February. The original deadlines for completion of repairs was set for 10 March and the opening of the shipping lines for 20 April. An indication of the unsatisfactory progress of repairs was given by the order that all work which was not connected with the opening of navigation was to be postponed immediately. As a result of the unsatisfactory condition of new construction, it was further stated that all partially serviceable vessels were to be made fully serviceable by appropriate overhaul.

(158) There were attempts to increase production by bonuses and competitions. The scope of repair work is shown in the following table of ships to be repaired at several yards:

	<u>Self-propelled ships</u>	<u>Barges</u>
Astrakhan	29	65
Khabarovsk	104	166
Gurev	14	33
Kamyshin	--	68
Zolotoj-Akhmat	9	--
Uralsk	29	82.

(159) The status of repair work at the Lower Volga Steamship Agency was as follows:

	<u>10 February</u>	<u>20 February</u>
Self-propelled ships	50.1%	58.8%
Non-self-propelled ships	60.7%	68.4%
Total	52.2%	61.7%

(160) According to radio messages, in March arrears were about 15-20%. In Moscow an 11-hour working day was instituted at those enterprises which were behind schedule. Arrears were to be erased by the beginning of the navigation season in 7 to 8 weeks.

(161) A serious problem was the faulty performance of repair work. Above all, technical work was being performed badly. This was caused by the lack of skilled workers and by the terrible conditions of tools and machines. The NK

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for the River Fleet ordered, therefore, that all technical equipment was to be put in working condition by 1 June. Moreover, control of repairs was inadequate. Moscow, therefore, ordered the administrations of the shipyards to test all repaired ships in order to locate any faulty repairs immediately. The deadline for this was set for 1 April.

(162) The many arrears in repairs could not be erased by April, so many ships were not ready for service until after the opening of navigation. As a result of the defective repairs a critical situation prevailed in all operating shipping lines.

(163) The following were behind repair schedules in April:

Baturino	Kujbyshev
Blagoveshchensk	Krasnoyarsk
Gorkij	Omsk
	Zamuse.

(164) The yards were to catch up on their arrears by introducing a 24-hour working day. Satisfactory repair work for the winter was nevertheless reported from the following shipyards:

Borovaya	Raznezhe
Kostroma	Saratov
Krasnoyarsk	Uralsk.

(165) Before being put into service, the ships of course had to be examined. Here there were great delays. In Krasnoyarsk, for example, only two ships had been transferred to service by the end of April, 34 were technically ready for service and 44 had come from repair. In Gorkij and Molotov, putting the ships in service proceeded very slowly. In order to avoid interruptions, Moscow ordered that departure tests be carried on day and night. In Borovaya, nevertheless, all ships were still in the shop. In Uralsk, at the beginning of April, 20 self-propelled and 82 non-self-propelled ships were ready for service.

(166) Removal of the repaired ships extended until May. A shortage of manpower and of material was also noted in this month. Upon conclusion of winter repair work in April and May, the industrial enterprises of the River Fleet were to produce spare parts for ships in the following amounts:

Khabarovsk	for 490,000 rubles
Omsk	" 450,000 "
Krasnoyarsk	" 390,000 "
Novosibirsk	" 350,000 "
Ulan-Ude	" 290,000 "
Blagoveshchensk	" 160,000 "
Yakutsk	" 150,000 "
Irkutsk	" 130,000 "

Moreover, these plants were to manufacture technical items for the Armaments Industry.

(167) In June there were no basic changes from the previous month. The shipyards were ordered to speed up repairs and as long as they were behind

schedule to maintain a 24-hour working day. Aralsk, for example, could perform no repairs because of a lack of construction timber. Barnaul and Chardzhou were behind schedule.

(168) In the reoccupied regions, such as Stalingrad and Rostov, sunken steamers were raised and placed back in operation.

8. Transportation Situation

A. Railroad

(169) Because of the war, difficulties on the already overloaded railroads grew since now much rolling stock had to be devoted to military transport duties. Military demands on the Ordzhonikidze Railroad made up almost half the traffic according to telegraphic reports.

(170) In addition, during the winter the railroads were more heavily loaded because of the cessation of shipping starting in November. At the beginning of 1943, therefore, transport from Gurev to Aktyubinsk took 7 days and from Aktyubinsk to Alma Ata three months. Trains ran irregularly and suffered long delays enroute. Often railroad cars could not be loaded and unloaded promptly because there were only old men and women to do the job.

(171) Many messages indicated that these conditions had the result that food and fuel supplies in many regions were insufficient; industry received inadequate raw material and often could not ship its products.

(172) At the beginning of 1943, therefore, many trucks had to be requisitioned in order to make urgent deliveries of grain for food. In many regions horsedrawn transportation had to be resorted to because of a lack of fuel.

(173) Because of the confusion in transportation, thousands of railroad cars collected along the rail lines. In March alone, for instance, 700 cars with about 11,000 tons of freight had collected between Rybinsk and Kazan.

(174) In April the difficulties became greater. Whether the cause of this was in the transportation industry itself or because of the military requisitions could not be definitely established.

(175) Transportation difficulties in the Caucasus seemed to be caused mainly by the widespread military requisitions and by war damage. The Transcaucasus Railroad, for example, was to furnish not less than 15,400 cars in March but the steel industry in Tbilisi received only 149 cars. There were 295 transport trains with about 4,400 cars reported on the Ordzhonikidze Railroad on 8 April. About one third of these were used for operational transport and the other two thirds for military freight transport. Messages from military posts in that region remained the same in May also. On 3 May there were 294 military transport trains with about 4,500 cars enroute. Since on that day there was a total of 10,400 loaded cars on the line, about 43% belonged to the Army.

(176) As a result of the large number of railroad cars belonging to the Army, even many important armaments plants could obtain only an insufficient number of cars. The Civil Railroad Directorates demanded, therefore, that a

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certain amount of transport capacity in the military transportation plan be devoted to raw materials for armaments, but the Chief of Military Transportation refused on the grounds that there were no free cars.

(177) Troubles in the reoccupied regions were even greater because of damage to the railroad lines. The Southeast Railroad in Rostov-on-Don Oblast', the Voroshilov Railroad in the North Caucasus and the Ordzhonikidze Railroad in the Central Caucasus exhibited greater stoppages in traffic, therefore, than the Transcaucasus Railroad in the South Caucasus.

(178) The Ordzhonikidze-Voroshilov Lines needed lengthy repairs. In April they were negotiable only at a speed of 30 to 50 kilometers/hour. Traffic was interrupted by the reconstruction of many bridges. This resulted in many railroad cars being blocked enroute. Moreover, traffic was curtailed by damaged cars. On the Ordzhonikidze Railroad about 1,600 such cars had collected, transport of which entailed great difficulties. On a section of the Groznyj Nevinnomy-skaya Railroad, for example, 22 oil trains were stopped. Because of the general shortage of railroad cars, about 10,000 tons of freight could not be transferred in the harbors of Gorkij and Baku.

(179) Even shipments for the NK for Defense could not be made. The aviation industry, for example, received no carbide from Kirovakan. The local chemical industry was authorized only 45 railroad cars in April instead of the 200 required.

(180) Fuel deliveries for the front were made only with the greatest of difficulty. Often shipments of oil and fuel could not depart for days because of a lack of tank cars. Because of the significance of oil supply to the front and the economy, a special authorized agent for rail transport of oil in the Caucasus was appointed.

(181) As a result of the lack of railroad cars 23,600 tons of bread grain were jammed up in Stavropol' Oblast'. Difficulties in tea deliveries occurred in Baku. By the end of April 2,400 tons of tea had accumulated in Krasnovodsk. In April Erevan could not send any tobacco to the Red Army. 2,000 tons of food also remained unshipped there.

(182) Radio traffic indicated that on the average plants in the Caucasus received only a third of the railroad cars ordered. In the other liberated regions transportation conditions were likewise bad. Transportation of workers for reconstruction work could be made only with great delay.

(183) The Transcaucasus Railroad indicated better results in May. They reported the loading of about 2,800 cars of imported goods compared to about 1,100 cars in April. In May 149 cars were authorized and furnished to the steel industry in Tbilisi. Only 127 cars were used, however.

(184) In May the transportation situation on the Ordzhonikidze and Voroshilov Railroads was even worse. Requirements for cars exceeded the capacity of the lines rather considerably. This was especially noticeable in the metal industry, which complained repeatedly about nonfulfillment of railroad car deliveries. Several enterprises had received absolutely no cars for weeks on end, as a result of which shipment stopped completely. In Baku harbor turnover of manganese ore and cast parts dropped sharply. 460 railroad cars with these goods had collected there.

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The ore shipping office in Poti was to receive 60 railroad cars on 12 May for the shipment of manganese ore. However, only 45 cars were furnished and shipped. In May the Tobacco Trust in Erevan was to ship 20 cars of tobacco according to the plan. But since no cars had been furnished by 20 May, nothing could be shipped. The Chemical Combine in Kirovakan was to receive 10 railroad cars daily for shipment of its production, particularly to the aircraft and tank industries. However, often there were no cars received for days at a time.

(185) The unsatisfactory operation of transportation was partly caused by the poor condition of the railroad lines. Thus, for example, Ordzhonikidze reported 1,000 signal lights were lacking, which greatly limited the security and speed of traffic on this line.

(186) In the Tbilisi Railroad Repair Shops of the Ordzhonikidze Railroad 25 locomotives and 50 tenders were to be repaired during the first quarter and 25 locomotives and 20 tenders during the second quarter. These repairs were not carried out.

(187) The repair of the Ordzhonikidze Roadline itself progressed only slowly because bridge construction material was lacking.

(188) As a result of generally unsatisfactory performance, a state of emergency was declared on the railroads. This assured absolute obedience to orders and tighter control over personnel.

(189) In June an improvement in transportation conditions was noted in the Caucasus. The improvement in transportation conditions was beneficial to the metal industry. Likewise improved oil supply was observed. Railroad cars for large shipments of tobacco in Georgia could also now be expected. The unshipped stock of tobacco for the North was 1,400 tons on 1 July. 220 railroad cars were expected for this tobacco, and an additional 300 cars for military deliveries.

(190) The Southeast Railroad also had to cope with great difficulties in June. Coal loading in Likhaya (Rostov-on-Don Oblast') had to be stopped because of a lack of railroad cars. Monthly need was for 300 cars. At the end of June the delivery of railroad cars at Shakhty was far behind schedule. On 29 June 100 cars were furnished, on 30 June only 16, on 1 July 15 and on 2 July none at all. For the next several days there was no prospect of receiving cars. There were also stoppages in fuel transportation for the front in Rostov Oblast'.

(191) In Rostov and Krasnodar Oblasti 192 cars of leather and wool were laid up on the railroad because of a lack of loaders.

(192) In review of the transportation picture as revealed by radio traffic, it is considered that the most important element for the Caucasus and Rostov Oblast' is the war in adjacent regions. Moreover, it is noted that military transport needs are met before the so-called civil transport needs, especially when it is a question of meeting armaments contracts. Nevertheless, interruptions, which prevailed generally throughout Soviet economic development because of insufficient transportation, were considerable. Transportation is probably the weakest member of the Soviet economy.

B. Inland Navigation

(193) Upon outbreak of the war, the significance to the economy of inland

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navigation increased because a large part of the railroads were devoted to military transportation. Telegraphic orders indicated that the directors of the individual NKRF offices were responsible for carrying out the planned work.

(194) Passenger shipping in this year officially began on 20 April. On this date, however, many shipping lines had not completed overhaul operations, so that shipping did not begin on a full scale until the first ten-day period of May. The largest amount of traffic developed on the Volga. Passenger traffic with four steamship lines and 25 steamers was opened here.

(195) As a result of the shortage of shipping space, 350,000 tons of freight were stored in Kujbyshev on 10 April, which was to be shipped in April. Forwarding of these goods, however, was doubtful because of assignment of ships to the Kama Steamship Agency. Shipping on the Caspian Sea could not handle the transportation of agricultural machinery. Semipalatinsk also could not fulfill its transportation plan for April. On the other hand, many instances of good performance in the inland shipping industry were noted, which were rewarded with bonuses. The following received bonuses in April:

Employees of the Upper Volga Steamship Agency	90,000 rubles
Gorkij Water Transport Base	30,000 "
Molotov Water Transport Base	27,000 "
Plant "Karl Marx"	30,000 "
Crew of the steamer "Pushkin" in Chardzhou	5,000 "
Crew of an unidentified steamer in Chardzhou	5,000 "

(196) In May the inland shipping industry had to cope with growing difficulties caused mainly by shortages of shipping space and manpower. There were many arrears in transportation: during the first half of May Kujbyshev could not fulfill planned transportation assignments and Semipalatinsk was behind schedule in dispatch of salt and grain. In Omsk dispatch of grain and timber was not fulfilled according to the plan. They fulfilled their transportation plan as follows:

57% Loading
93% Unloading
77% Tugboat service
85% Utilization of railroad potential
88% Utilization of shipping space.

(197) In the Novosibirsk Rajon also large quantities of grain lay for days at a time because there was no shipping space. There were no tugboats there either. Tugs were also lacking at the Kama Steamship Agency so that barges of salt remained tied up at Molotov. The situation in the Vyatka Steamship Agency was similar. Its barges long remained tied up in Kirov. There were stoppages in Yakutsk also because the local government had requisitioned several river ships for fishing. In Irkutsk, on the other hand, the transportation plan was fulfilled by 107%.

(198) As a result of the generally unsatisfactory condition of inland shipping, a state of emergency was declared over it in May in order to take decisive control of the situation and to improve conditions (see Personnel Situation).

(199) In June the transportation situation was about the same. The West Siberian Steamship Agency lacked tugboats and many of those belonging to the Kama

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Steamship Agency were in an unserviceable condition. Since the Lower Volga Steamship Agency likewise lacked tugboats for salt transport for fish conservation, the NK for the Fish Industry had to hand over 5 steamers for transportation of salt.

(200) Since 15 June 6 barges with about 10,000 tons of salt were tied up at Sokolki (Kirov Oblast'). In 18 days only about 1,500 could be unloaded because of a lack of transport workers. Stalingrad also could not handle goods turnover because of a lack of shipping. Storehouses were already jammed but further shipments continued to pour in.

(201) The shortage of shipping led to many admonitions to the repair shops and shipyards.

(202) Good results were reported in June by Saratov, fulfilling its plan by 176% and by Ulan Ude, which fulfilled its plan by 105% in the first 27 days of June.

(203) An idea of the order of magnitude involved in these shipping operations may be obtained from the following:

Kujbyshev was to load about 350,000 tons of freight in April. In May Astrakhan "Volgatanker" was to load 1,065,000 tons of freight and unload 940,000 tons.

(204) Transshipment in the Kujbyshev Rajon was to be as follows:

800 tons coke	in May at the Batraki transshipment point
1,400 "	in June at the Batraki transshipment point
2,100 metals	in April at the Kujbyshev transshipment point
4,700 "	in May (?) at the Kujbyshev transshipment point
2,900 "	in June (?) at the Kujbyshev " "
5,900 wool	in May/June at the Kujbyshev transshipment point
9,300 "	in June at the Uvek transshipment point
3,800 "	in June at the Batraki transshipment point

(205) Additional transshipment plans were intercepted as follows:

15,000 tons coal	in June at Stalingrad
13,000 " " " "	Semipalatinsk
11,700 " " " "	Omsk.

(206) The June plan of the Vyatka Steamship Agency was for the following transportation:

40,000 tons of floating timber
14,000 bread grain
2,000 other freight.

(207) An important task assigned to the River Fleet was the flotation of timber (for further details see Timber Supply). Moreover, Iran-Soviet trade was its responsibility, amounting to from 4 to 4 1/2 thousand tons monthly and passing through the harbors of Astrakhan, Baku and Makhachkala.

(208) There was an attempt to conserve shipping space by decreasing personnel travel in the western regions and by limiting the amount of baggage which might be carried by private persons (adults 16 kilograms, children 8 kilograms).

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9. Construction and Reconstruction

(209) During the first half year there were many construction projects noted. These were repair projects conducted by the NKRF on its industrial installations and on the harbors and ports along the waterways. Moreover, enlargement of many plants was observed. Finally, there were also many new construction projects identified. Many messages indicated that repair work was in progress in all oblasti.

(210) Waterway nets: The harbor of Kotlas and the Vychegda landing point were to be rebuilt. In the harbor of Astrakhan large construction projects were started. In Gorkij and Kujbyshev new dock installations were under construction. Chistopol was to receive new dock installations. In Cherdyn new shipyards were built.

(211) Plant enlargement or new construction to increase production was principally noted in Siberia and in the Caucasus. In the Caucasus enlargement of the oil industry in Baku and Groznyj was rushed to completion; this industry previously required 574 tons of clinkers. In Erevan 150 tons of naphtha bitumen was required for the production of construction blocks for an aircraft factory. At the "Volgatanker" Plant in Erevan enlargements were likewise apparently in progress, as cement for construction work was delivered. In Erevan also, a large plant of the NK for the Rubber Industry was under construction. The food industry in the Caucasus was especially widely expanded. Thus, the NK for the Meat and Dairy Industry in Erevan carried out expansion work for which 30 tons of cement were required. The macaroni factory in Armavir also required 45 tons of lime, 25 tons of cement and 11 tons of alabaster for construction. The sack factory in Avchala was to receive 250 tons of cement in June.

(212) The major part of the new construction, however, was in Siberia. Construction authorizations by the NKRF for expansion of ports and industrial plants as well as for construction of living quarters was as follows:

Irkutsk	1, 040, 000 rubles
Ulan Ude	128, 000 "
Blagoveshchensk	4, 800, 000 "
Ilijsk	159, 000 "

(213) In Blagoveshchensk alone 2, 952, 000 rubles were allotted to industrial projects. A large construction project in the form of a dam was undertaken at Farab in the Chardzhou Rajon. In Novosibirsk also an NKRF plant was to be expanded; moreover, a large amount of construction of living quarters was to be begun there. In the Yakutsk region the construction of a power station costing 310, 000 rubles was projected. In Karaganda a new electric station was started. Several railroad cars of transformers, electric motors, electric equipment and other machines had already been shipped. In Kuznetsk a coal cleansing plant was built; in the Kustanai area bakeries and water mills were built. Storage areas were also under construction there. Many orders for cement were continually noted, some of them quite large. Central Siberia in particular appeared to be the most heavily industrialized.

(214) In the recovery of parts of the country the question of reconstruction from the beginning of the year assumed increasing significance. As soon as there was an indication that the Don and Volga regions would be reoccupied, the

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organization of reconstruction offices were set up. By the beginning of January, part of the Reconstruction Command had been organized. They consisted mainly of NKRF personnel who had earlier been evacuated from these regions. Large quantities of tools, materials, diving equipment and radio stations were sent to the Reconstruction Commands.

(215) Part of the population evacuated from the Don and Volga regions had by the beginning of February returned and was located. In general, intensive construction work was observed in February. In particular, it concerned the reconstruction of the port of Stalingrad. To place the harbor installations at Stalingrad, Krasnoarmejsk and Kalach back in operation, Moscow made available large quantities of equipment and materials. The Komsomol organization of the Moscow-Oka Steamship Agency assumed the sponsorship for the harbor of Stalingrad and with it the obligation to train some of the necessary men from its own ranks. Saratov transferred to Stalingrad and Krasnoarmejsk floating workshops. In the region of the northern Donets and the Manych, water transport bases were to be inspected as early as the middle of February. During February an additional hundred technical specialists were sent to Stalingrad.

(216) The general reconstruction of the Don and Volga regions was advanced by the furnishing of abundant funds. The reconstruction program for the port of Stalingrad called for an expenditure of 3.6 million rubles during the third quarter. This amount was supplemented by an extraordinary amount of funds. Thus Ilijsk reported expenditures of 33,000 rubles and an intake through bonds of 63,000 rubles; Kujbyshev reported expenditures of 66,000 rubles. Also in May the reconstruction regions received armaments from other NKRF offices. Finding manpower was still difficult because the return of evacuated personnel progressed very slowly. Komsomol members also helped in reconstruction work. The raising of sunken ships was an important task. It was delayed, however, because of a lack of divers.

(217) Reconstruction work slowed in April because of the general difficulties in transportation, hiring manpower and in supply of materials. In Stalingrad living quarters were reconstructed and construction of shore installations continued. A fourth and fifth landing points were projected.

(218) In Rostov and the Donets Basin also industry was energetically expanded. Plants were authorized extensive technical equipment, coal and funds. Both in the Donets Basin and in the Caucasus region, communications and agriculture were urgently restored to normal (see Transportation and Food Situations). Production reports were again reported from the many industrial plants of these regions. There were continual reports of new plants in Rostov or in the Donets Basin. When work went a little slowly or when delays occurred, progress was reported and the necessary excuses created for the economic life of the reconstruction regions.

10. Summary

(219) In summary, the following picture is apparent from radio traffic: as a result of extraordinarily large orders of war material, during the first half of 1943 continual complaints and increasing difficulties arose in the Soviet economy. There were attempts to master them by measures both anticipatory and in retrospect. Nevertheless, requirements necessary for conduct of the war became more extensive. From month to month there were increased stoppages

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in almost all phases of the economy. Large difficulties spread particularly in transportation, hiring of workers and the food situation.

(220) As a result of conscription, the personnel shortage grew steadily. With the addition of strain in the hiring of workers, serious difficulties arose in the economy. Agriculture, timber procurement, ship building and repair, as well as other aspects of production and transportation suffered shortages of personnel. There was a lack of both administrative and transport workers for loading and unloading freight. Countermeasures such as the mobilization of the population, did not have the desired effect. In many branches of the economy, therefore, a state of emergency was declared.

(221) Radio traffic indicated that in the transportation situation there was likewise a steady deterioration, particularly in the 2nd quarter. The railroads were in a position to furnish scarcely two thirds of the required cars. Difficulties also arose in inland shipping because of lack of shipping space and manpower. The hoped-for improvement of the transportation situation at the beginning of the inland navigation season was of only a temporary nature. The growth of transportation difficulties plus the manpower shortage had such a strong effect on the economy that in the second quarter a state of emergency had to be declared in Transportation in order to cope with the problem more rigorously. However, no significant improvement was immediately noted.

(222) The food supply was very scarce. Workers often could not obtain their supplementary rations. An improvement in the situation was sought by an increase in self-supplying and by increased fishing. Results, however, were limited. In the 2nd quarter there was even an increase in the strain in the food situation. A famine could, of course, not be permitted, but guaranteeing a food supply to public places was a large problem. Since only limited stocks were on hand, further food supplies depended heavily on yield from the harvest. The food situation, however, remained very unsteady, as far as could be determined from radio communications.

(223) Metal supplies were dependent mainly on transportation conditions. Intake of ore and consequently metal production stalled. In many cases metal products could not be loaded. The scrap collection program also was delayed. It reached only about half of the planned amount. At any rate, in June the metal supply situation in the Caucasus seemed to become less strained.

(224) With the exception of the Caucasus, the oil supply situation exhibited a continually growing deterioration.

(225) Coal supplies were also dependent mainly on transportation conditions. Mainly, a grievous shortage of coke was noted. Averaging the intercepted messages, it was estimated that about three quarters of the total requirements for coal were met.

(226) In the timber supply picture, there were especially severe shortages of manpower and transportation, the latter of which was the most serious. According to observed radio traffic about half of the planned timber was procured, but only about a quarter was shipped.

(227) Ship building and repair indicated production arrears which were caused by shortages of manpower and material. During the first half year they could not be compensated for. Thus, the production plan was only about half fulfilled, the repair plan by 90%.

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(228) Raw material supply, according to radio messages, was less a raw material than a transportation problem. The latter was probably the most serious bottle neck in the course of the economy. In a criticism of the transport situation it should be noted, however, that conditions in the civilian sector are sharply divided from the military conditions, which are not considered here. On the other hand, a lively program of new construction activity was indicated, and everyone on the Soviet side strove to increase productivity. Moreover, a continual effort toward technical improvement of economic processes was observed. The economy was assigned a practically unbroken series of tasks, which were to be performed by individual enterprises, such as increasing the power of tugboats in service, decreasing fuel consumption of transportation equipment, acceleration of loading and unloading of ships, etc. In order to further the exchange of experience, many conferences of technical specialists were held. Special courses were also reported, in which new work experience or work methods would be taught.

(229) In summary, radio traffic indicates that extreme strain exists in all branches of the Soviet economy.